# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:87
ANSWERED ON:26.02.2008
FDI IN MINERAL AND MINING SECTOR
Pal Shri Rupchand;Ravindran Shri Pannian

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government has decided to allow hundred per cent FDI in mineral and mining sector;

(b) if so, the details thereof, mineral-wise;

(c) whether this move has been opposed by Kerala Government;

(d) if so, the details and reasons therefor; and

(e) the reaction of the Government thereto?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a) to (e): As per the extant policy, Foreign Direct Investment (FDI) up to 100% is allowed under the automatic route in Mining sector covering exploration and mining of diamonds & precious stones; gold, silver and minerals. This is subject to Mines & Minerals (Development & Regulation) Act, 1957. The FDI policy, permitted FDI up to 74% is allowed in Atomic minerals in the policy on mining of beach sand minerals notified vide Government of India Resolution dated 6-10-1998.
In the recent review of the FDI policy, Government has approved FDI up to 100% with prior approval of the Government in Titanium bearing minerals and ores and its value addition subject to the sectoral regulations and the Mines and Minerals (Development and Regulation) Act 1957. FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions:

(i) value addition facilities are set up within India along with transfer of technology;

(ii) disposal of tailings during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board.
No FDI is permitted in mining of other atomic minerals. The above policy was finalised after consultations with stakeholders and through inter-ministerial consultations. The policy on FDI is also reviewed on a continuing basis. Department of Industrial Policy & Promotion has not received any objection from the Government of Kerala to the recent policy change.